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Office of the Governor

June 13, 2013

The Honorable Ross Miller
Secretary of State
Capitol Building
101 South Carson Street
Carson City, NV 89701

RE: Senate Bill 185 of the 77th Legislative Session

Dear Secretary Miller:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Senate Bill 185, which is entitled:

AN ACT relating to the Nevada System of Higher Education; eliminating certain exemptions for the System from the requirements relating to public works; increasing the total principal amount of bonds and other securities that may be issued by the Board of Regents of the University of Nevada to finance certain projects at the University of Nevada, Reno; and providing other matters properly relating thereto.

Senate Bill 185 was introduced at the request of the Nevada System of Higher Education solely for the purpose of increasing the principal amounts of revenue bonds and other securities that may be issued by the Board of Regents to fund, in whole or in part, certain planned projects at the University of Nevada, Reno.

Existing law establishes that a construction project of the Nevada System of Higher Education is not a "public work" unless at least 25% of the project was funded by state or federal money. Of note, less than 25% of public funds were used for UNR's last three major construction projects including The Joe Crowley Student Union, Nevada Living Learning Community Residential Housing, and Center for Molecular Medicine. Moreover, less than \$500,000 of state public funds are planned to be used for UNR's next four major projects which include the Student Achievement Center, Graduate and Married Student Housing, Undergraduate Residence Hall, and Mackay Stadium Improvements.

However, at the end of the legislative session, a Conference Committee was held which amended the bill. In effect, the amendment redefined what constituted a "public work" for

projects within the Nevada System of Higher Education and resulted in the removal of the limited "public works" exemption.

Given this amendment, the Nevada System of Higher Education is no longer supportive of this bill. In requesting a veto of Senate Bill 185, the Nevada System of Higher Education articulated the following concerns:

1. New jobs could be delayed or lost. Donor interest in capital projects may be chilled as donors who wish to give to the System may see the cost of projects increase. Even projects that are funded 100% with donor funds will become "public works" under these revisions. Because state CIP funds are severely limited or non-existent, future construction projects may be delayed or eliminated – and jobs affected, as these increasingly important donor gifts could be adversely impacted by this legislation. Donors like to know how their funds will be spent and expect projects to be managed efficiently. Duplicative oversight by NSHE and the SPWB is not cost effective and may hamper fundraising efforts. Strong donor support and funding flexibility is required for UNR and NSHE institutions to successfully complete their planned capital projects.
2. Cost will rise significantly. Overhead costs on projects will increase substantially due to the duplication of oversight on projects.
3. Students will be affected. The size, scope, timing, and affordability of future projects will be jeopardized.
4. State government will have to expand. Work required by the State Public Works Office would rise significantly and require an expansion of its resources.

Because of the concerns raised by the Nevada System of Higher Education, I veto this bill and return it to you without my signature and without my approval.

Sincere regards,



BRIAN SANDOVAL
Governor

Enclosure

cc: *The Honorable Brian Krolicki, President of the Senate (without enclosure)*
The Honorable Moises Denis, Senate Majority Leader (without enclosure)
The Honorable Marilyn Kirkpatrick, Speaker of the Assembly (without enclosure)
David A. Byerman, Secretary of the Senate (without enclosure)
Susan Furlong, Chief Clerk of the Assembly (without enclosure)
Brenda Erdoes, Esq., Legislative Counsel (without enclosure)